



**P.O. Box 1304 Benicia, California 94510
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August 6, 2003

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109**

Re: Valero Benicia Asphalt Plant Major Facility Review Permit

To Whom It May Concern:

The Redwood Chapter of the Sierra Club, Solano Group, opposes the Valero Benicia Asphalt Plant Title V Permit proposal due to the following questions, concerns and need for clarification. The Valero proposal appears to contain numerous ambiguous phrases, terms and concepts and until absolute clarification has been achieved in this proposal process, the Sierra Club, Solano Group, seeks a delay in the proposal by the Bay Area Air Quality Management District.

First, we wish to express our deepest concern for the “accidental” fires and flare-ups at the refinery over the past month. If the refinery officials cannot keep the facilities safe prior to expanding the asphalt plant, what makes anyone think it will be safer if they are allowed to expand the asphalt production procedures? It is logical to believe the expanded conditions will lead to even greater danger to the community, its citizens, and the environment. Prior to any upgrades and or expansion activities, the Valero Refinery should be held concretely accountable for the “accidents” to date. By concrete accountability, we specifically mean that the refinery provide public meetings and documentation of all the events that led up to, included and the aftermath of discovering how, what, when, where and why did those accidents occur and what danger was the community actually exposed to by the refinery’s lack of proper management of its’ plant. Until the refinery can adequately and accurately provide this accounting of the incidents, any and all expansion plans for the asphalt plant should be placed on an indefinite hold status.

As for the Title V Permit proposal by Valero Refinery under Section VI. Permit Conditions – 1. Refinery Conditions (page 132), what is the current S18 Crude Unit total throughput of feed oil as opposed to the 5,292,000 barrels total feed throughput of feed oil to S18 Crude Unit proposed by the refinery? Please also explain why there was a time change from 365 consecutive day to 12-month period? In addition, as opposed to the 18,000 barrels of total throughput of feed oil to S18 Crude Unit in any calendar day, what is the current number of barrels produced? If there is a significant increase, what is the justification for this increase and how will the citizens of Benicia benefit from this increase?

It appears the Valero Refinery wishes to increase all refinery combustion units except the S68 Emergency Diesel-Powered Firewater Pump to increase to 93.6 MM BTU/Hr, as opposed to the 86.6. What is the purpose of these increases and again, how will the citizens of Benicia benefit from these substantial changes? (Page 133, VI Permit Conditions, #5). In addition, does the City of Benicia have access to the PG&E natural gas flow meter readings? If not, why?

On Page 135 of the Valero Refinery Title V Permit proposal, under A/C Conditions, the deletion of "...source test shall be performed at the maximum capacity of 33 Mmbtu/hr" and replaced with "...source test shall be performed at the maximum capacity of 40 MMBtu/hr." Why and what is the justification in this change?

On Page 139 of the Valero Refinery Title V Permit proposal, under VI. Permit Conditions, #6, "...shall vent to the (eliminated *incinerator/flare*) thermal oxidizer (A4)". Is the thermal oxidizer a new component at the asphalt refinery, and if so, what is its' purpose, and will the appropriate air monitoring systems be in place to measure this component's effectiveness or deficiencies? What responsibility will the Valero Refinery take in the installation of the appropriate air monitoring systems (both the State's system and the Cerex system) to measure what this equipment is contributing to in terms of safety, clean air and a healthy environment and the community of Benicia? In addition, what are the safeguards for the thermal oxidizer, and what should the community be aware of with this equipment?

On Page 143, under VI. Permit Conditions, one might wonder where the "accidental fire(s) occurred at the facilities, and what jumps off page 143 of this proposal in this section is "...Storing: Kerosene, Light or Heavy Vacuum Gas Oil, and Asphalt abated by A3 or A20 Mist Eliminator...Thermal Oxidizer...Hot Oil Heater H-3, and the S13 Fixed Roof Storage Tank sections". What safety protocols, procedures and measures are in place in these particularly vulnerable areas of the facility, and what strategic interventions are documented by the refinery for emergency situations, such as the several incidents that recently occurred on the refinery management's watch?

On Page 143 of the Valero Refinery Title V Permit proposal, under VI. Permit Conditions, #31a, why is the permit holder (Valero) allowed to report only on an annual basis, as to the tank samplings to determine the true vapor pressure of the sample(s)? A more frequent sampling should be of greater benefit to the community and the environment, and if the Valero Refinery's true intention is to be a "good neighbor", then why would they not agree to do a much more regular, comprehensive sampling of all emissions from their facilities?

On Page 144, the refinery proposal suggest "the total combined throughput of all materials to S13, S59 and S63 shall not exceed 68,208,000 gallons (1,624,000 barrels) in any rolling 12 month consecutive month period. What is the current output? If the refinery's proposal is requesting a change in this throughput, what is

the justification and how will the citizens and environment benefit from this increase or decrease?

On Page 148, #48, what is the current total asphalt throughput to S5, S6, S7, S8, S37, S38, S51, S52, S53, S60, S61, S62, and S65 shall not exceed 6,738,349 barrels...". What is the current number of barrels and what is the justification for any increase or decrease?

On Page 148, the Valero Refinery proposal places specific emphasis on "SHALL NOT BE stored in or transferred to any of the above tanks. (toxics)" needs further explanation. What is the background and basis for this emphasis? Please explain.

On Page 153, in the Valero Refinery proposal, it appears the Mist Eliminator has been eliminated? Why and is it necessary to have a comparable replacement? If not, why?

On Page 155, the Valero Refinery proposal, VI. Permit Conditions, #87, why is the permittee allowed to record the volume of oil product and wastewater product to be measured and recorded on a monthly basis rather than on a daily or weekly basis?

Number 89 on Page 155 refers to S22 Oil Water Separator Box 22 is "never operated again and is permanently retired from operation/service or is permanently dismantled...". Why is this language deleted from the proposal? Please explain thoroughly what impact this has on the community, the citizens and the environment?

On Page 156, the Valero Refinery proposal, VI. Permit Conditions, III. Marine Operations Conditions-S30, refers to a total of 12 ships per year at the wharf". Is this an increase or decrease in number of ships. Please explain what impact this will have on the community and the environment in terms of air and water protection issues.

On Page 157, the Valero Refinery proposal, VI. Permit Conditions #7 refers to "the following organic liquids shall not be loaded onto vessels or barges at S30, Marine Loading Dock: gasoline, gasoline blending stocks, aviation gas, aviation fuel (JP-4 type), crude oil...". How are these products transported and what is the impact on the community, its' citizens and the environment?

On Page 157, #9, what are the protocols and procedures in how the Valero Refinery will safeguard the sulfur content of fuel oil used by vessels delivering raw materials...types of liquids loaded into and out of any vessel? This information should be readily available to the public for review.

On Page 158, #2, The permit holder references regarding Asphalt Tank Truck Dome Inspection Program violations but there appears to be no substantial, concrete punitive restrictions by the permit holder, other than “truck will not be loaded until the hatch has been repaired...”. Are monetary fines, licenses revoked and or shutting down the trucking business by the BAAQMD in place? Who enforces these requirements such as refinery representatives, etal? And why is this document “available to the District upon request” rather than the refinery being held responsible for transmitting these violations directly to the State? And if this reporting does not take place in a timely and accurate manner, what punitive measures are placed against the permit holder?

On Page 158, V. Other Sources, #1, how much respective emissions of nitrogen oxides are currently being released by the refinery, and what does cumulative increase mean?

On Page 159, VI. Permit Conditions, Condition #18796, For S68, Emergency Diesel-powered Firewater Pump, it appears the emergency conditions language has been eliminated? Why? What is the replacement language and procedures?

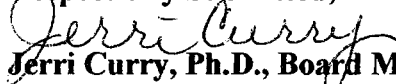
On Page 160, Condition 20278, For Sources S69, Asphalt Additive Loading Bin, and S70, Asphalt Additive Mixing Tank, #3, what happened to the term, *monitoring*?

On Page 164, VI. Permit Conditions. #6, What is the reason for the deviation from “...from the Nox Box up to a maximum of 20% from the established Nox Box...”? Please explain fully with adequate justification for the change.

On Page 166, VI. Permit Conditions, #13, “The owner/operator shall conduct one district approved Nox, CO, and O2 Source test at S20 and S21 each per consecutive 12 month period in order to measure Nox, CO, and O2.” For what reason is the testing spread over a 12-month period rather than more frequent testing? Simply because this period may be what is required in the regulations, would it not be of public relations benefit to the refinery to test on a more frequent and more thorough basis rather than simply “complying with the law”. Where is this thing called the “Good Neighbor Refinery”. It still appears to be missing, and sorely lacking in good faith and honest intentions.

Until and unless the Valero Refinery can make a solid and substantial case for the Asphalt Plant expansion and increases, the Sierra Club, Solano Group, will remain strongly opposed to this refinery’s plans for its’ asphalt plant.

Respectfully Submitted,



**Jerri Curry, Ph.D., Board Member
Redwood Chapter-Sierra Club, Solano Group**